

Bar Harbor Town Council Retreat

March 8, 2022

“Greatness is not a function of circumstance. Greatness it turns out is largely a matter of conscious choice and discipline.”

- Jim Collins, Good to Great

Agenda

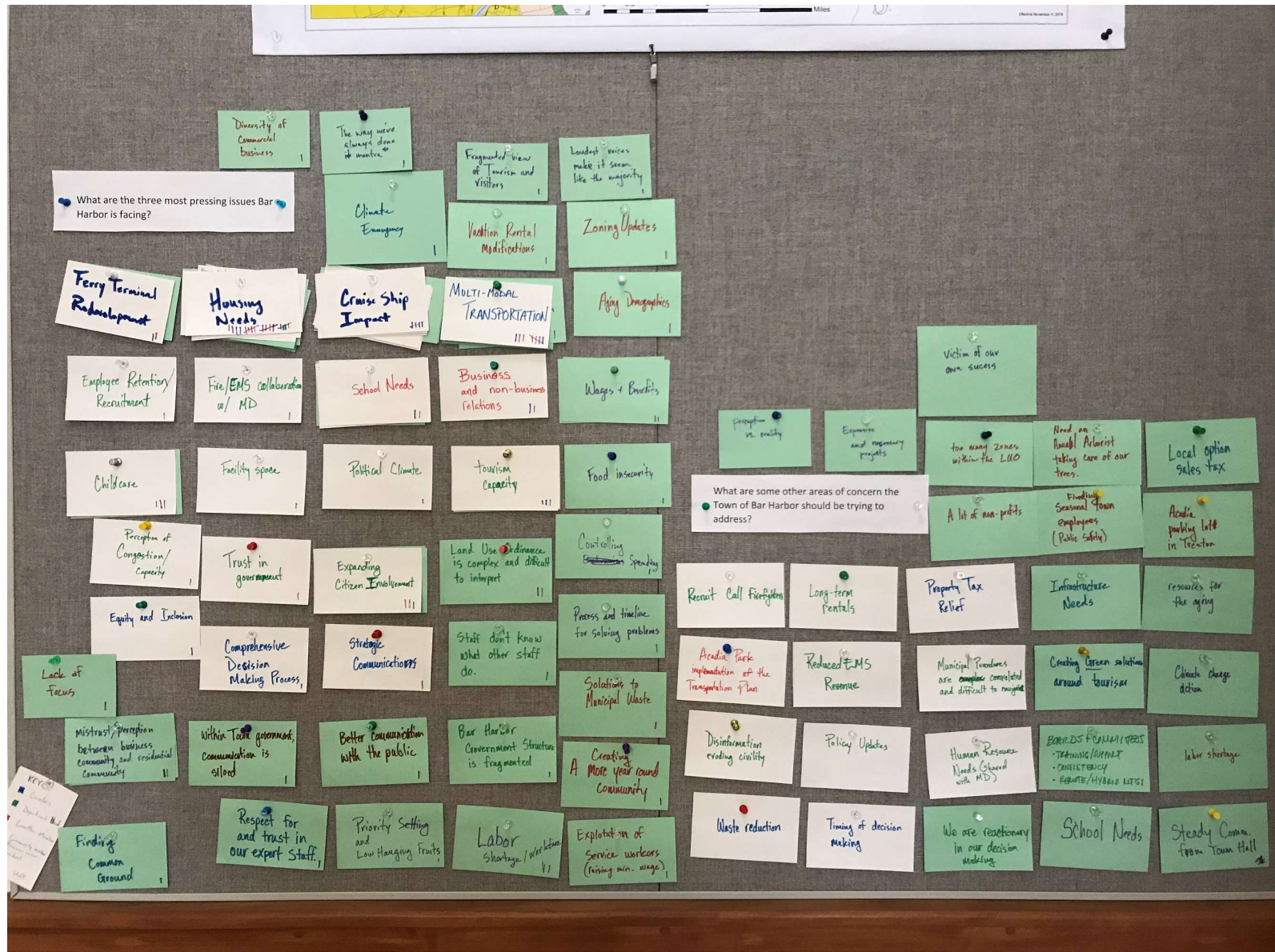
Start	Agenda Item
12:00 PM	Meeting Kickoff, Lunch, and Presentations
12:45 PM	Breakout Session #1 – Identifying Top 3 Priorities
1:30 PM	Stretch and Sticker
1:45 PM	Breakout Session #2 - Developing Roadmaps
2:30 PM	Remarks on Priorities and Goals and Evaluation
2:45 PM	Break, and Optional Departure for some
3:00 PM	Review of Council Rules
3:55 PM	Closing Remarks and Evaluation

Meeting Kickoff, Lunch, and Presentations

- Process to Date
- Recognizing Achievements
- Recent Challenges
- Efforts to address challenges in the FY23 Budget
- Why we need to learn to say No
- Our Goal Today

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Recognizing Achievements

- Housing Efforts to:
 - Slow Displacement
 - Create Incentives
 - Modify zoning upon completion of the comprehensive plan
- Infrastructure Analysis
 - Conditional Rating System for Sidewalks
 - Bar Harbor's Debt Policy
 - 10 Year outlook of major infrastructure/capital needs
 - Capital Improvement Program

HOUSING

Land Use Ordinance Amendments

- **Slows Displacement:**
 - **Employee Living Quarters**
 - **Shared Accommodations**
 - **Short-Term Rentals**
- **Creates Incentives:**
 - **Bonus Dwelling Units**
 - **Inclusionary Housing (ongoing)**

Comprehensive Plan

- The purpose of the new Bar Harbor Comprehensive Plan is to **reflect and respond to the needs, values, and priorities of the community while safeguarding Bar Harbor's sense of place, history, and natural resources.**
- It will have a 2035 outlook and will **guide future growth, development, land use, and infrastructure improvements.** As part of the planning process, the town desires to place a major emphasis on community engagement to involve residents and stakeholders in framing a plan that truly belongs to the community and implements its values. Once complete, the plan will serve as a foundation for determining effective public policy, programs, and land use decisions for the future.

Comprehensive Plan

What topics will be addressed in this Plan?



Conditional Rating System for Sidewalks

CC = Condition Code

5 – **Severe**; **Hazardous** to Walk On; Tripping Hazard; Beyond repair

4 – **Poor**; **Many** visible signs of wear (cracks and uneven surfaces); Snow Plowing Issues; Beyond repair

3 – **Moderate**; Walkable but not in good condition; **Some** visible signs of wear and/or multiple surface treatments; Repair may still be an option

Action Threshold

2 – **Good**; **Minor** visible signs of wear; no service impairments

1 – **Very Good**; Recently restored; **No** visible signs of wear

We continue to evaluate current conditions. As we develop additional tools, we will utilize the tools to develop data driven decisions.

Town of Bar Harbor Debt Policy

Debt/Credit Policy Objectives

Credit Ratings: The Town of Bar Harbor seeks to maintain the highest possible credit rating for its short and long-term General Obligation debt that can be achieved without compromising the delivery of basic Town services and the achievement of adopted policy objectives.

Managing debt is one of five key components typically examined by the rating agencies. The other four components are administrative, financial, economic and legal restriction factors.

Types of Municipal Bonds

General Obligation Bonds

- Backed by the full faith and credit of the issuer.
- Ability to tax (real estate, excise) used to repay principal and interest.
- Example: new Public Works Building, taxes used to pay back the lenders.

Revenue Bonds

- Project is the sole source of funds to repay principal and interest.
- Example, new water mains, funded by increase water user rates.

Town of Bar Harbor Debt Policy

Debt Limits: The Town hereby sets a maximum target for the Town's outstanding debt at 2/3rds of the limit prescribed by State statute (30A MRSA 5702), or five percent (7 1/2% x 66.7%) of actual full state assessed value of property of the Town (excluding school, storm & sanitary sewer purposes debt). These levels are consistent with the Town's present creditworthiness objectives highlighted in the budget process each year. The statutory total of all debt is 15% of full state valuation.

2021 Valuation, \$1,941,000,000 X 5% = **\$97,050,000**

6/30/22 outstanding debt, \$16,339,051

To comply with the Town's policy, \$80,710,949 available for bond sales/capital projects

****Currently \$3,750,000 in bonds approved not issued****

The policy has been adopted by the Town Council by resolution and, with advance notice and an affirmative vote of five Councilors, can be adjusted at any time by resolution of the Town Council.

Credit Opinion From Standard & Poor's AAA Rating: March 2020

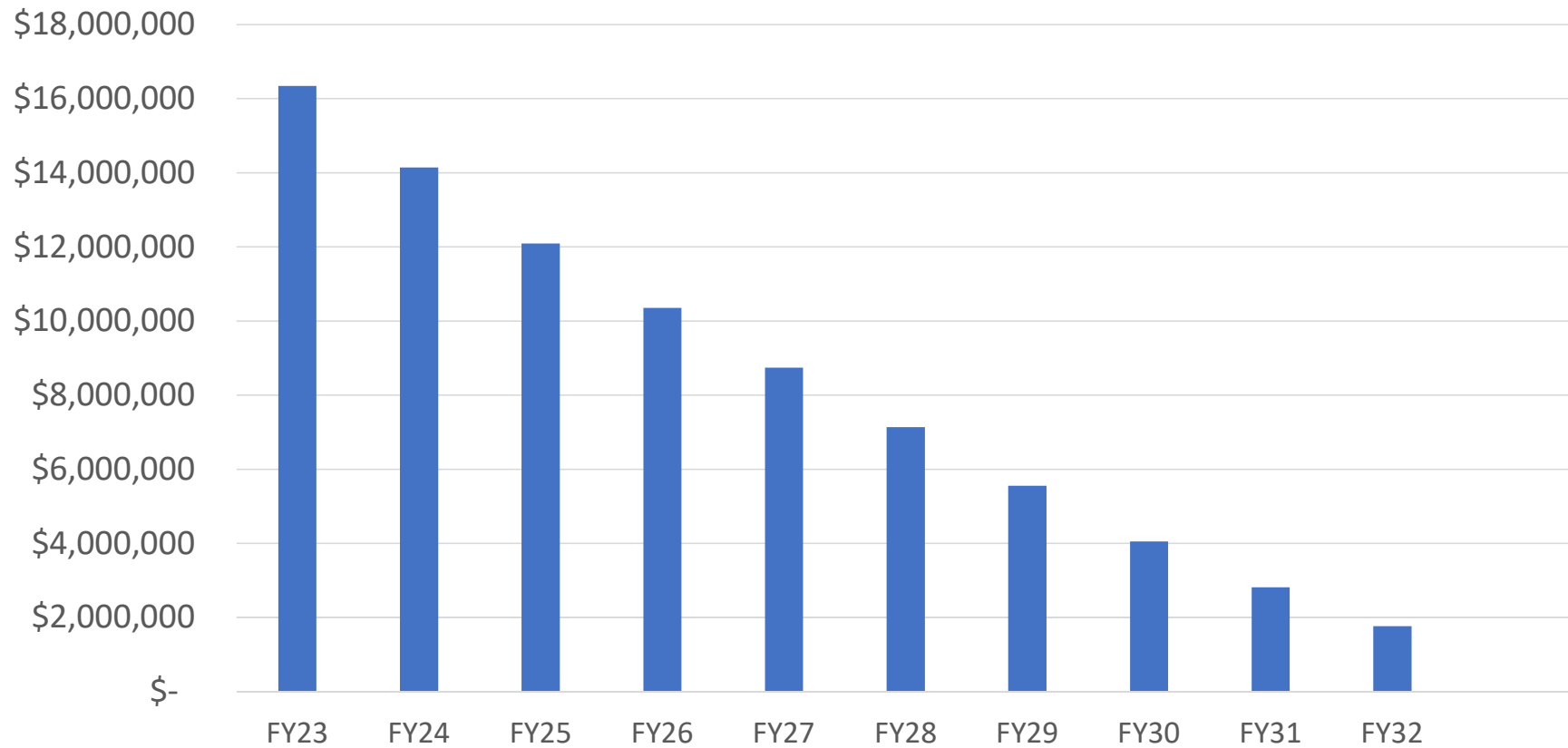
- **Very strong debt and contingent liability profile,**
- Debt service carrying charges at 6.5% of expenditures and net direct debt that is 64.5% of total governmental fund revenue, as well as low overall net debt at less than 3.0% of market value and rapid amortization, with **67.6% of debt scheduled to be retired in 10 years;** (approx. 10M) - very positive credit factors.

Credit Opinion From Moody's Aa2, March 2020

Factors that could lead to a downgrade:

- Trend of operating deficits resulting in a material decline in reserves
- Significant declines in the tax base or deterioration of the demographic profile
- Significant increase in debt burden
- Debt and Pensions: New debt projects will generate additional revenue sources; Bar Harbor's modest overall debt burden at **0.9%** of full value is manageable but has the potential to increase significantly as the town considers building or renovating an elementary school. Those plans are still preliminary.

Outstanding Debt at End of Fiscal Year



Remaining Debt

Emerson Connors Heating System			\$	175,115
Agamont Park & Seawall			\$	120,000
Hulls Cove Sewer Plant upgrade			\$	285,000
Pub.Wrks-Roads & Sidewalks, etc.			\$	1,495,000
(water portion-mains)			\$	33,000
(Newprt Comf Station)			\$	21,000
Sewer Mains			\$	715,236
Ref. Water Co. Purchase & Mains			\$	714,764
Duckbrook Pumphouse/UV Treatment			\$	1,529,936
Public Works Complex			\$	2,255,000
(water portion-lease)			\$	78,000
Municipal Building Renovations			\$	1,570,000
Wayfinding Signage			\$	22,000
Public Safety Building			\$	300,000
Rte #3 Water main replacement			\$	1,275,000
SolW Station & Fire Station & Ladder			\$	2,430,000
Ferry Terminal Land & Park Meters			\$	2,185,000
Parking Meters				
Ferry Terminal Land-Taxable			\$	1,135,000
Totals - Bonds Issued & Outstanding			\$	16,339,051

10 Year Capital Project Projections

- *Current projection is \$112,000,000

***A quick reference: for every \$100,000 increase in expenditures, at current tax assessment level, mil rate will increase 0.05 ***

\$80,000,000 GOB

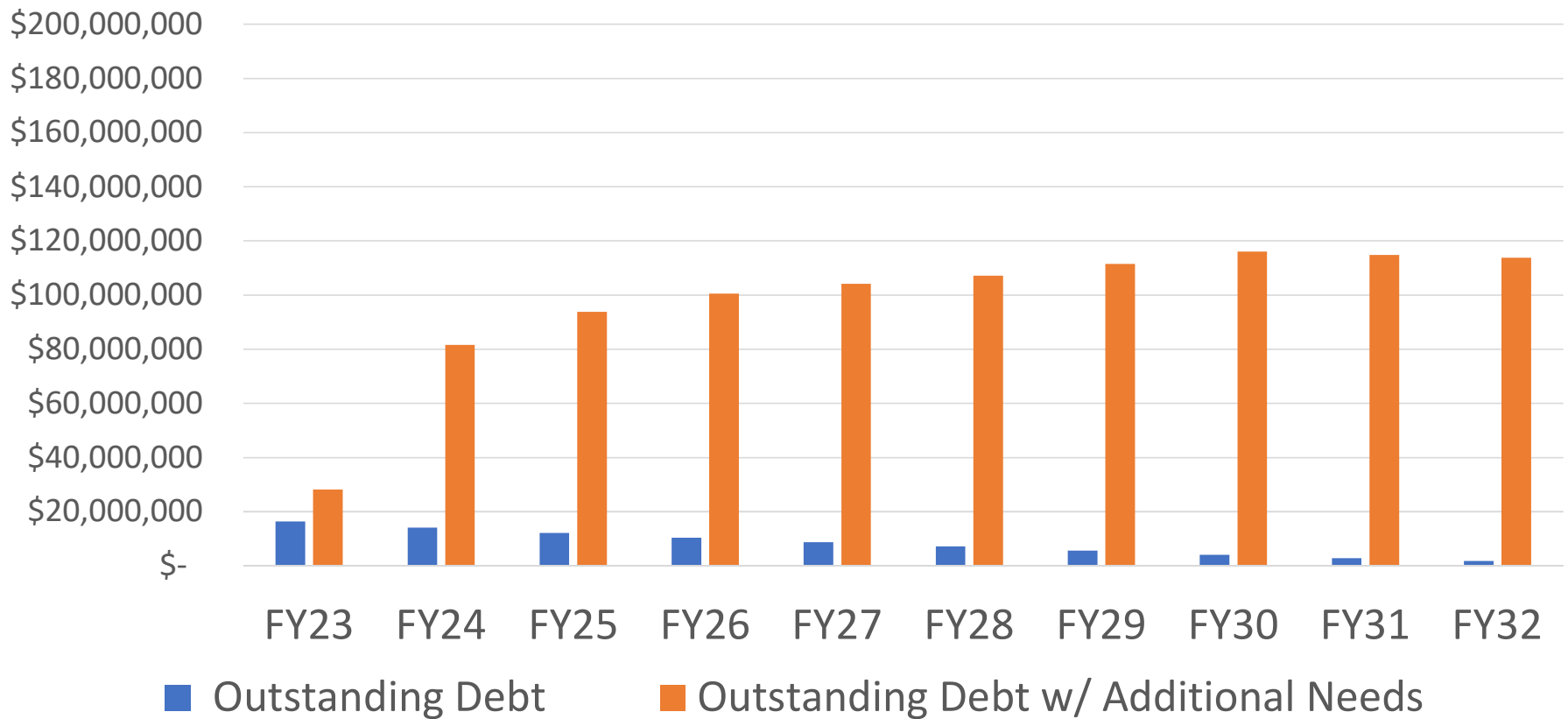
\$5,400,000/annual debt service = \$2.70 mil rate increase

10 years of Large Capital Project Investment – an exercise originally done by staff in early 2021

- What's been added:
 - The Solar Farm being considered at Higgins pit
- This spreadsheet does not reflect the debt service for:
 - The Design work related to a new elementary / middle school
 - All of the components that will be outlined in the Recent Challenges section of the presentation

Projects:	Total Cost	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Harbor/Ferry Terminal											
Demo marine & docking facilities	\$ 2,200,000			\$ 2,200,000							
Construct Marina & Infrastructure	\$ 5,000,000					\$ 5,000,000					
Harborview Park	\$ 1,200,000						\$ 1,200,000				
Fire/Public Safety Bldg	\$ -										
Tanker 1 Replacement	\$ 600,000							\$ 600,000			
Heating system upgrade/replace	\$ 500,000					\$ 500,000					
Police/Dispatch	\$ -										
New Police building	\$ 3,000,000				\$ 3,000,000						
New Village Green Comft Stat	\$ 450,000				\$ 450,000						
School	\$ -										
New School	\$ 40,000,000			\$ 40,000,000							
Town Office	\$ -										
Fiber Build out	\$ 750,000		\$ 750,000								
Auditorium Renovations	\$ 750,000		\$ 750,000								
Public works	\$ -										
Cottage St. Rebuild	\$ 10,500,000				\$ 2,000,000			\$ 4,000,000	\$ 3,000,000	\$ 1,500,000	
Lower Main St. Rebuild	\$ 6,000,000				\$ 3,000,000				\$ 3,000,000		
Street/Sidewlk Const-WW & Wtr	\$ 400,000		\$ 400,000								
Bus Garage & Salt Shed Rehab	\$ 1,500,000				\$ 1,500,000						
Solar Array	\$ 4,350,000		\$ 4,350,000								
Wastewater	\$ -										
CSO-Pmp Station & Mains	\$ 7,000,000		\$ -	\$ 7,000,000							
Main WWTF	\$ 6,500,000			\$ 500,000	\$ 3,000,000	\$ 3,000,000					
Main St. Pump Station	\$ 3,000,000		\$ 3,000,000								
Hulls Cove Pump Station	\$ 750,000		\$ 750,000								
Hancock St. Pump Station	\$ 200,000		\$ 200,000								
Rodick St. Pump Station	\$ 400,000		\$ 400,000								
Degregoire P Pmp Station	\$ 400,000			\$ 400,000							
Water	\$ -										
Tank Imprv-Ireson Hill/Jax tank	\$ 2,500,000			\$ 2,500,000							
Booster Pump Improvmnts	\$ 1,300,000				\$ 1,300,000						
Mains	\$ 12,700,000		\$ 1,200,000	\$ 3,000,000			\$ 4,000,000			\$ 4,500,000	
Totals	\$ 111,950,000	\$ -	\$ 11,800,000	\$ 55,600,000	\$ 14,250,000	\$ 8,500,000	\$ 5,200,000	\$ 4,600,000	\$ 6,000,000	\$ 6,000,000	\$ -
											\$ 111,950,000
Paid By:											
Taxes		\$ 77,200,000		20 yrs -	Annual Debt Service:		\$ 5,190,000				
Wastewater		\$ 18,250,000			(3.0%)		\$ 1,225,000				
Water		\$ 16,500,000	\$ 111,950,000				\$ 1,100,000	\$ 7,515,000			

Outstanding Debt vs Outstanding Debt Including Additional Service Needs



Capital Improvement Program

- Written as a section of the Town Charter (Section 30):
 - A. The capital improvement program (CIP) shall be defined as a program consisting of municipal and education expenditures, any one of which costs more than \$5,000 and meets one or more of the following requirements:
 1. Construction time extends to two or more fiscal years;
 2. Includes planning for, construction of or major renovation of a Town building, wharf, public way, sewer, drain or appurtenant equipment; or
 3. Replacement or acquisition of equipment with a life expectancy of five years or longer.
 4. Such other reserve accounts as the Town Council directs.

Capital Improvement Program

- Written as a section of the Town Charter (Section 30):
 - B. CIP purpose. The purpose of the CIP is to plan the Town's capital investment needs over the ensuing five-year period. The Town should seek to avoid financing costs by setting aside funds in advance of their need, except for major capital items with life expectancies in excess of 10 years.

Capital Improvement Program

- This is a cause for celebration. Not many other communities around the state or even the country have been this smart about planning for capital needs.
- So many communities still don't even have a Capital Improvement Program
- The roughly \$2 million transferred into the CIP represents **8%** of the total expenditure budget of nearly \$25 million (and this includes our current debt service payments).

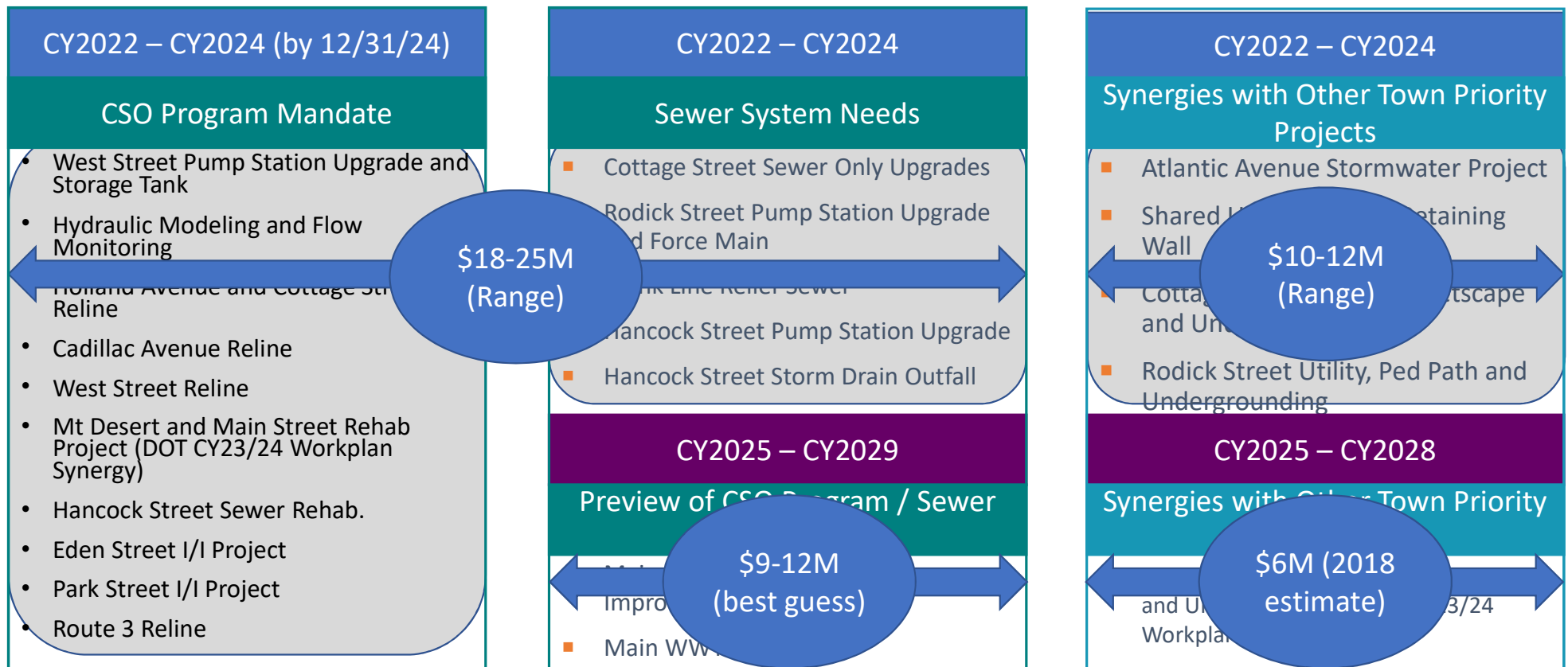
Meeting Kickoff, Lunch, and Presentations

- Recognizing Achievements
- **Recent Challenges**
- Efforts to address challenges in the FY23 Budget
- Why we need to learn to say No
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Recent Challenges

- Modifying our Combined Sewer / Stormwater Overflow to achieve the DEP approved Master Plan
- Hot off the press, a Hydraulic Modeling visual of our Sewer System

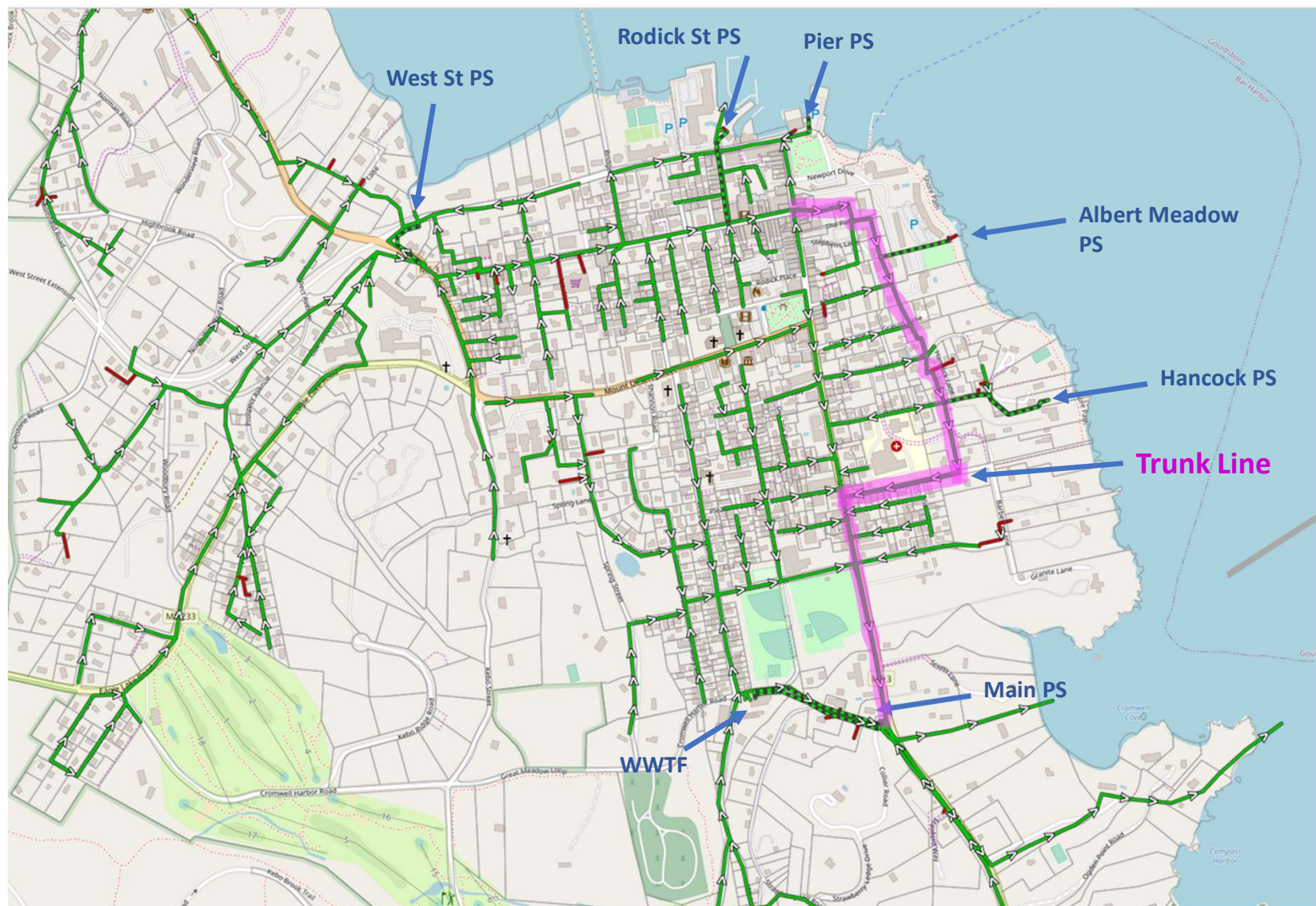
Infrastructure Projects in the Pipeline and synergies with other town priority projects...



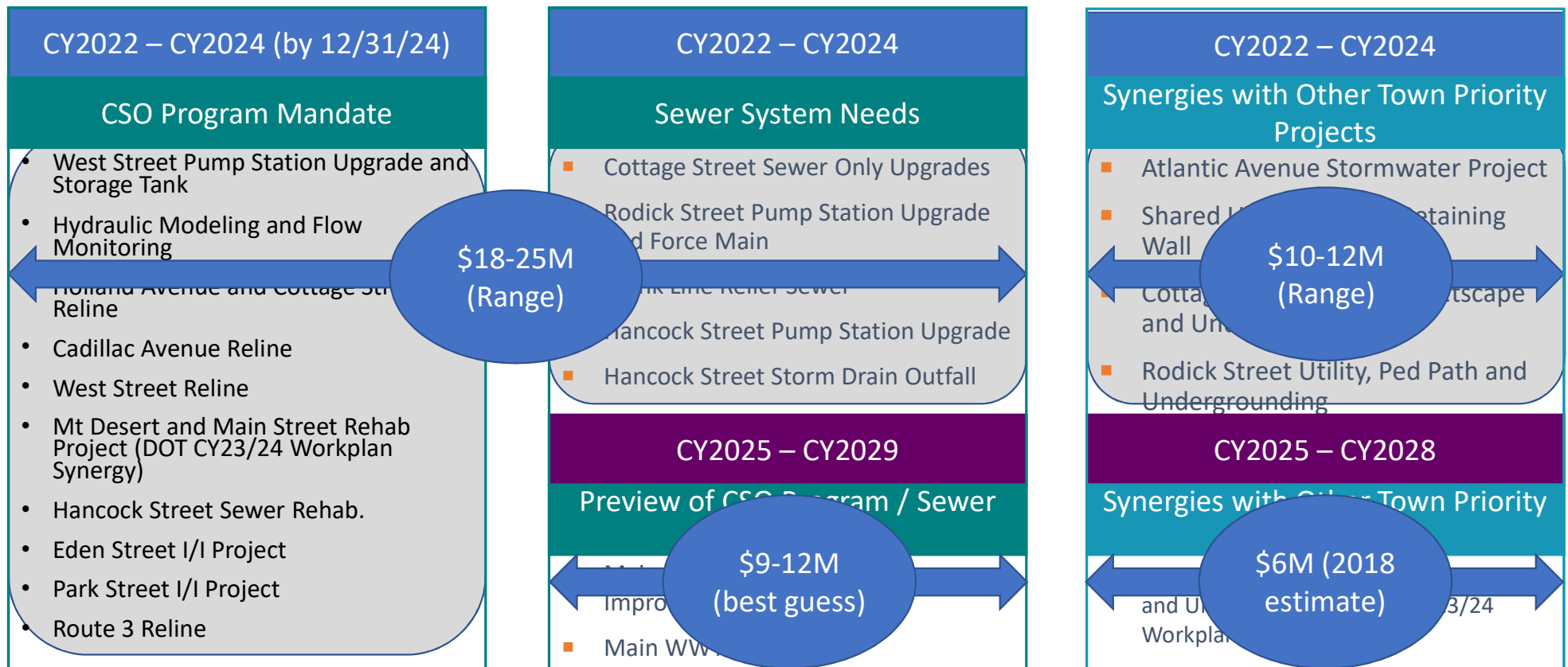
Wastewater Infrastructure – Collection System

- Strengths
 - Dedicated group of wastewater professionals who want to do the best job they can operating and maintaining the system we have today
 - We are building back the Town's relationship with Maine DEP
- Opportunities
 - Smart investment in our infrastructure where we can get the dual benefit of meeting the needs of the CSO Program and at the same time replace or upgrade Aging Infrastructure
- Challenges
 - Rain events increasing in intensity, duration and frequency
 - Timing. We need to make decisions while we are modeling the current system and also developing the comprehensive plan that will guide expansion and infill within the existing service areas
 - Budget. Priority Infrastructure Bond money needed to get CSO Program Projects implemented in under 2 years
 - Some difficult examples follow

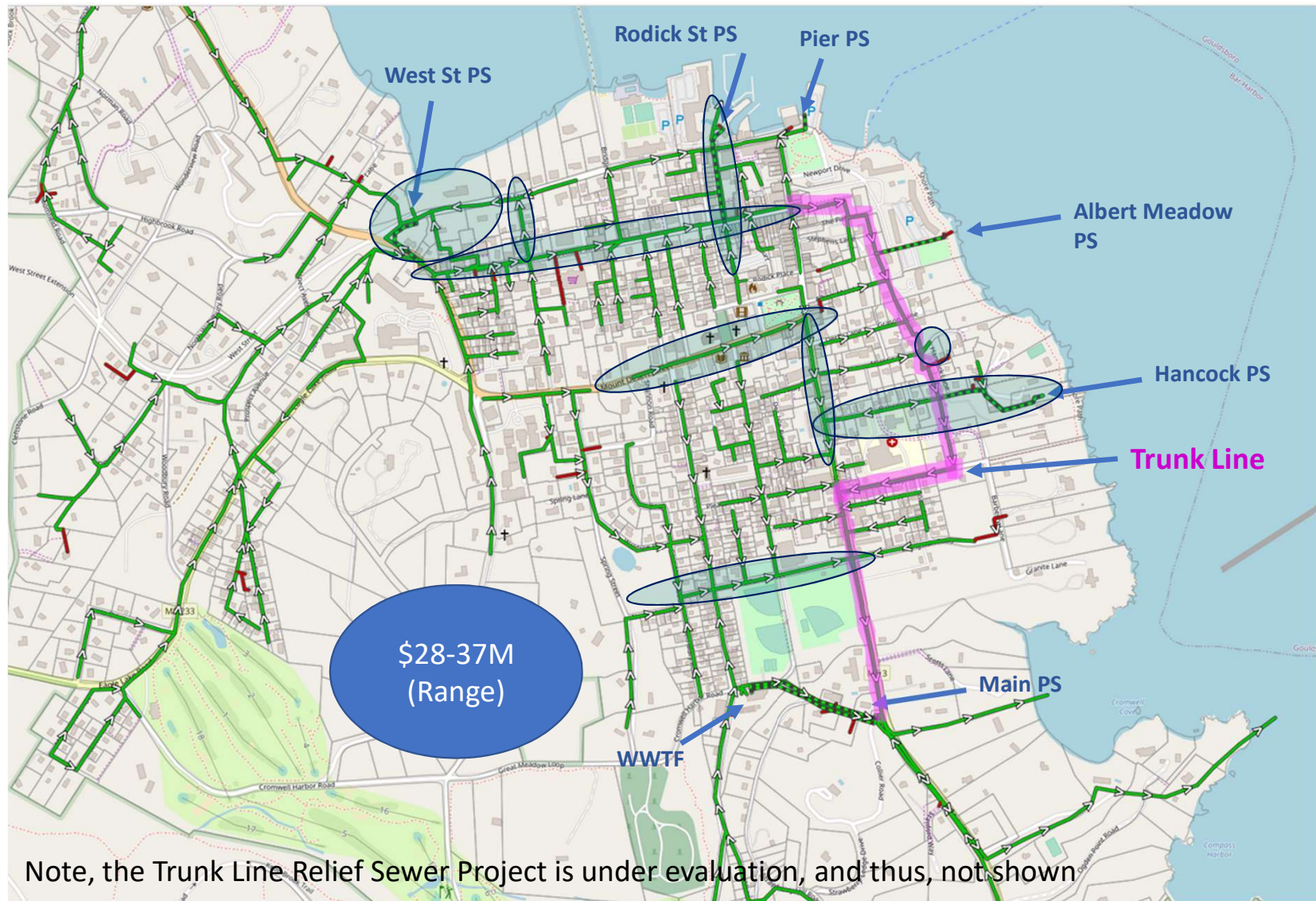
Wastewater Infrastructure Overview
Downtown Focus Area



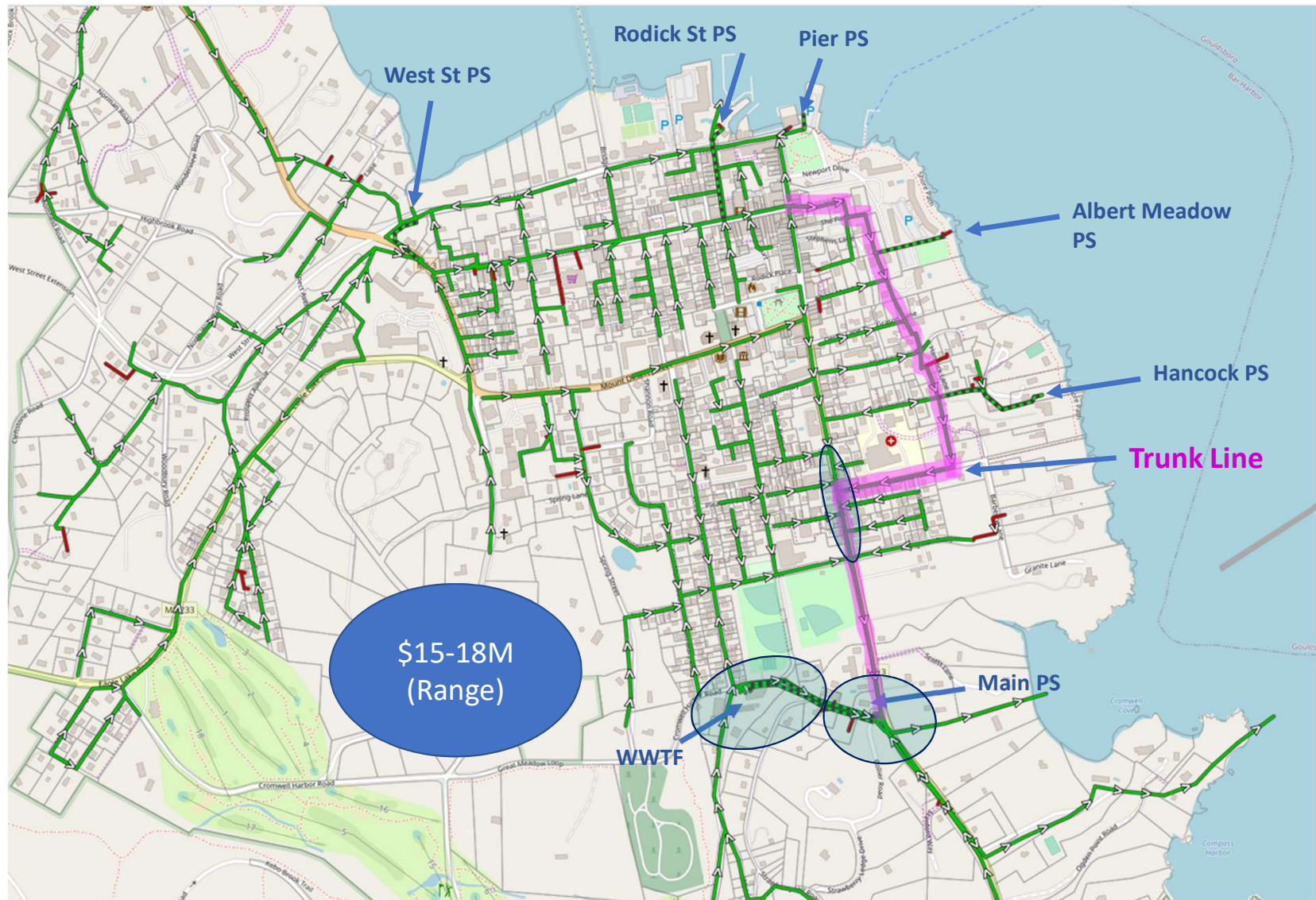
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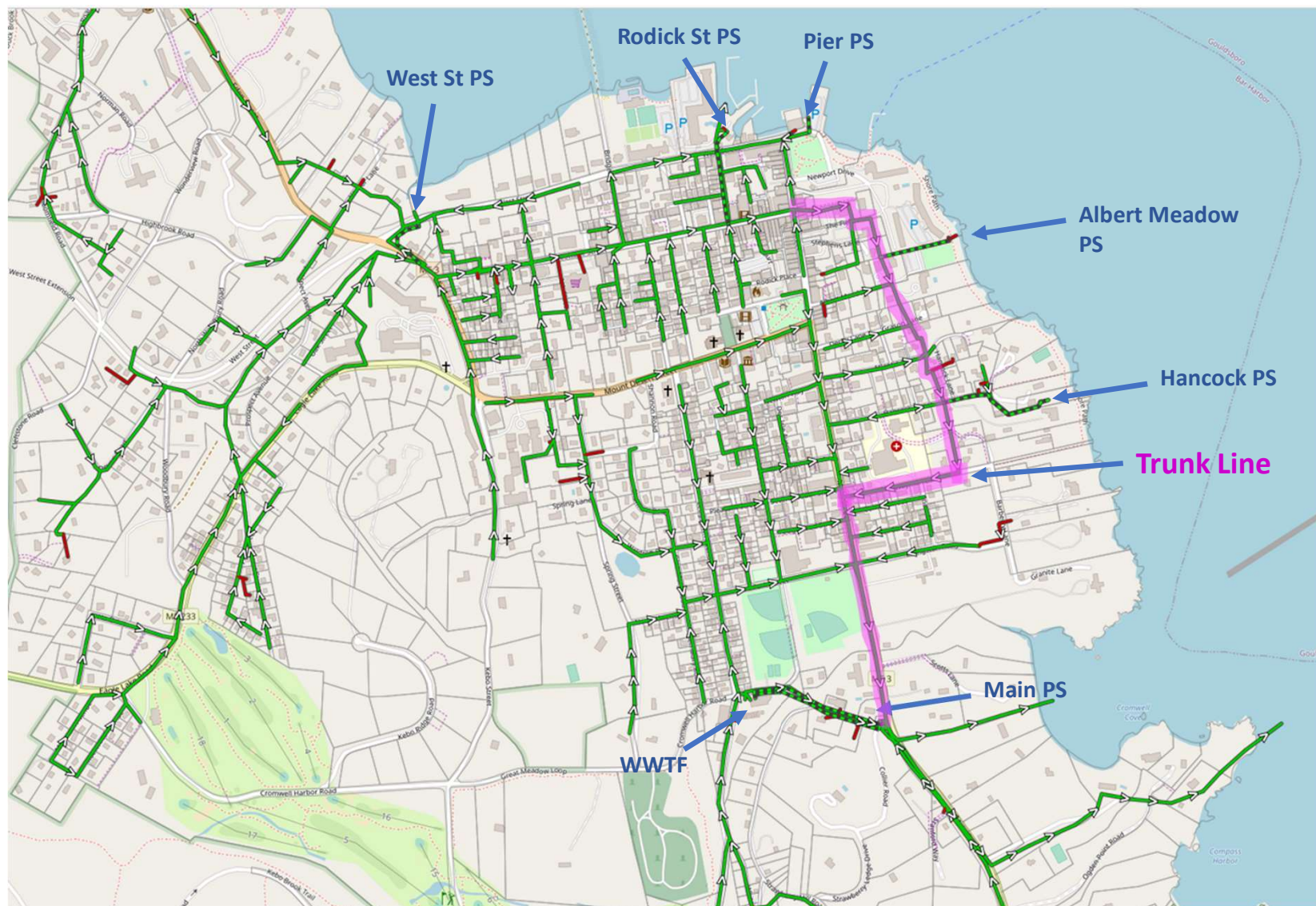
**CY2022 – 2024 Priority Infrastructure
Downtown Focus Area**



**CY2025 – 2028 Priority Infrastructure
Downtown Focus Area**

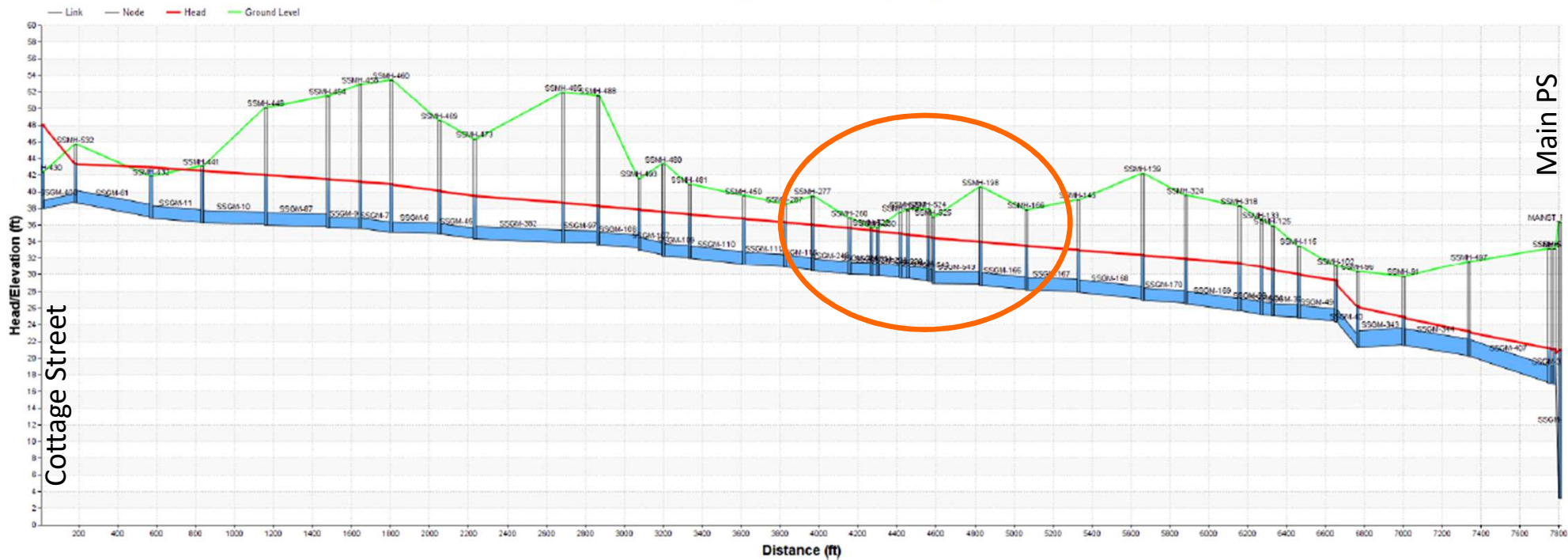


Trunk Line Challenges

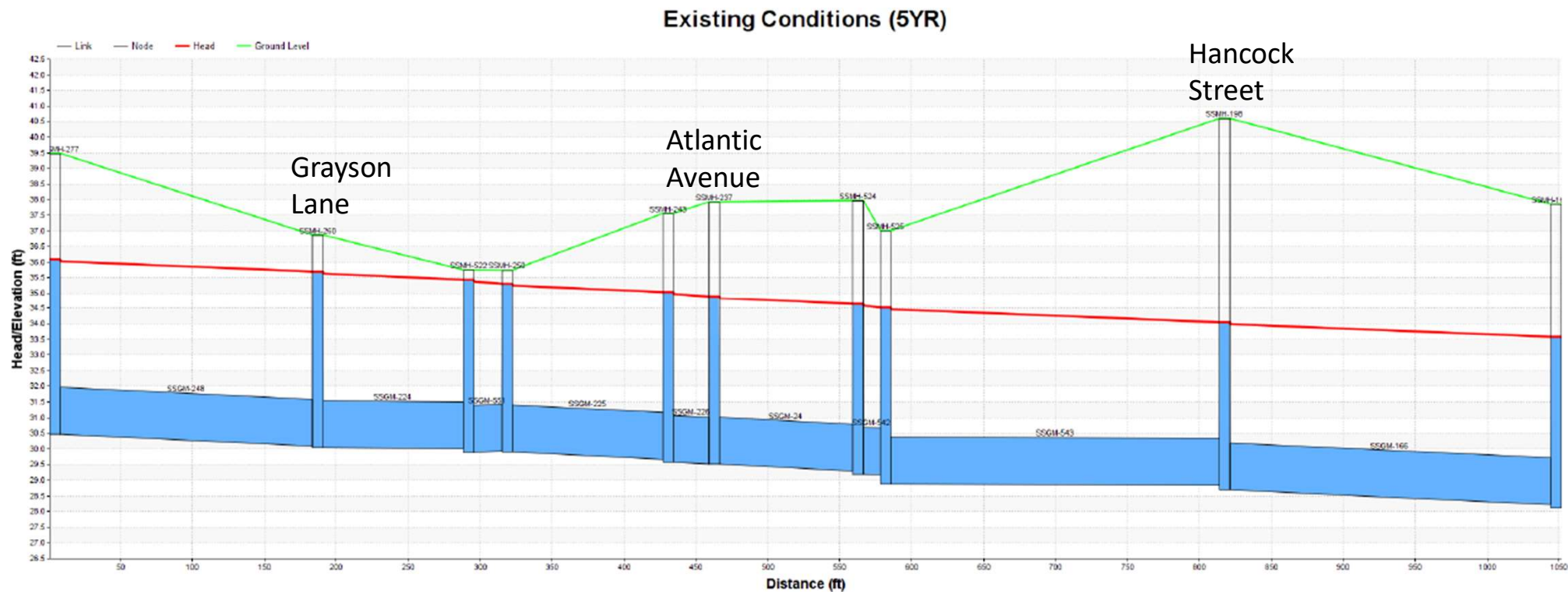


Truck line – 5 Year storm event (West Street Pump Station At CURRENT DESIGN FLOW)

Existing Conditions (5YR)

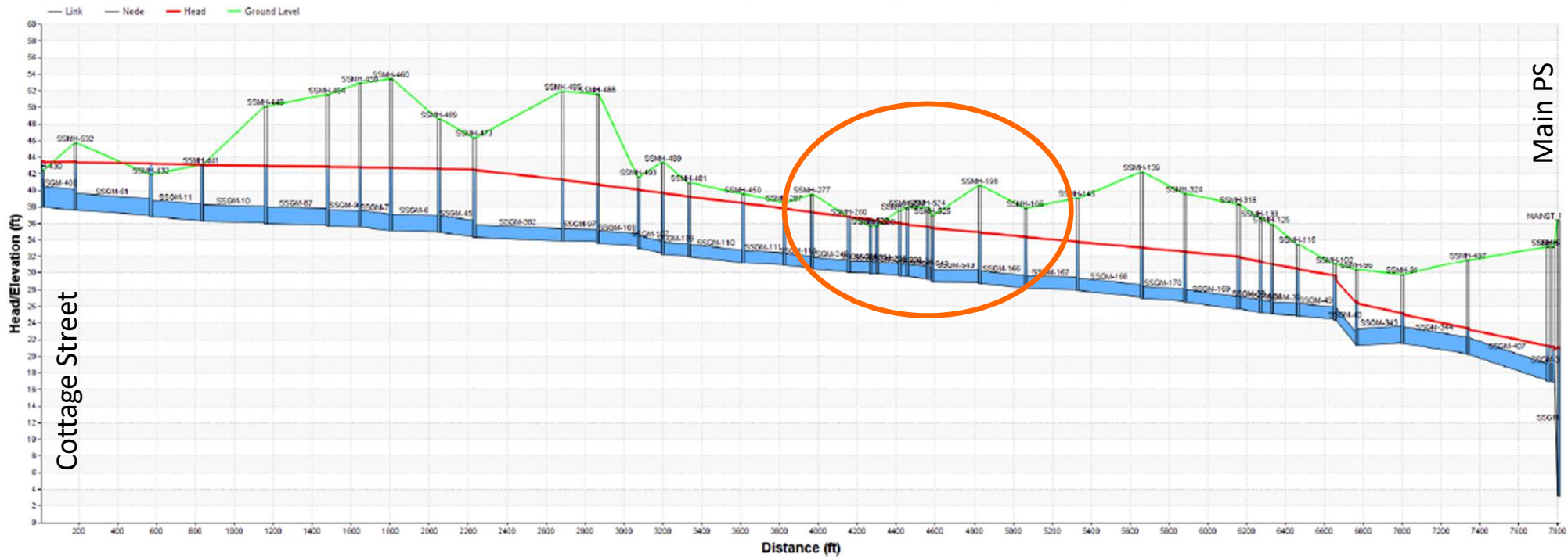


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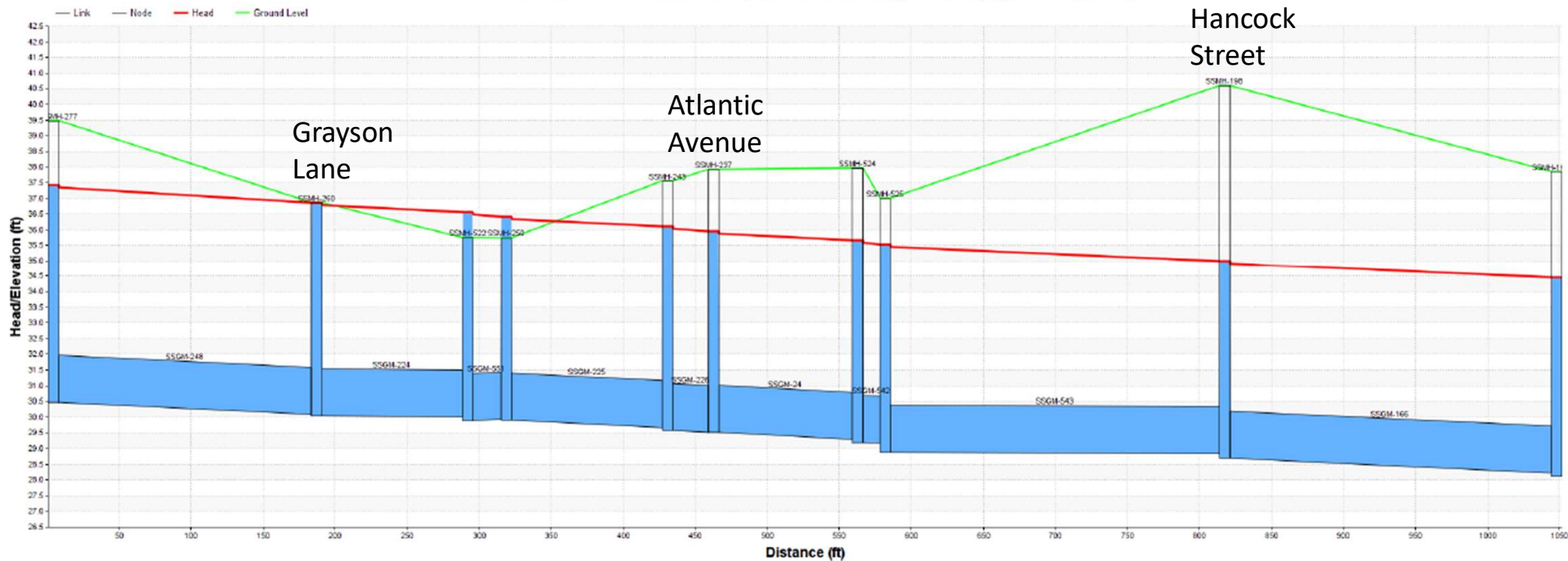
Truck line – 5 Year storm event (West Street Pump Station Upgrade & Cottage Street)

Alternative 3: West PS Upgrade, Cottage St. Upgrades (5YR)



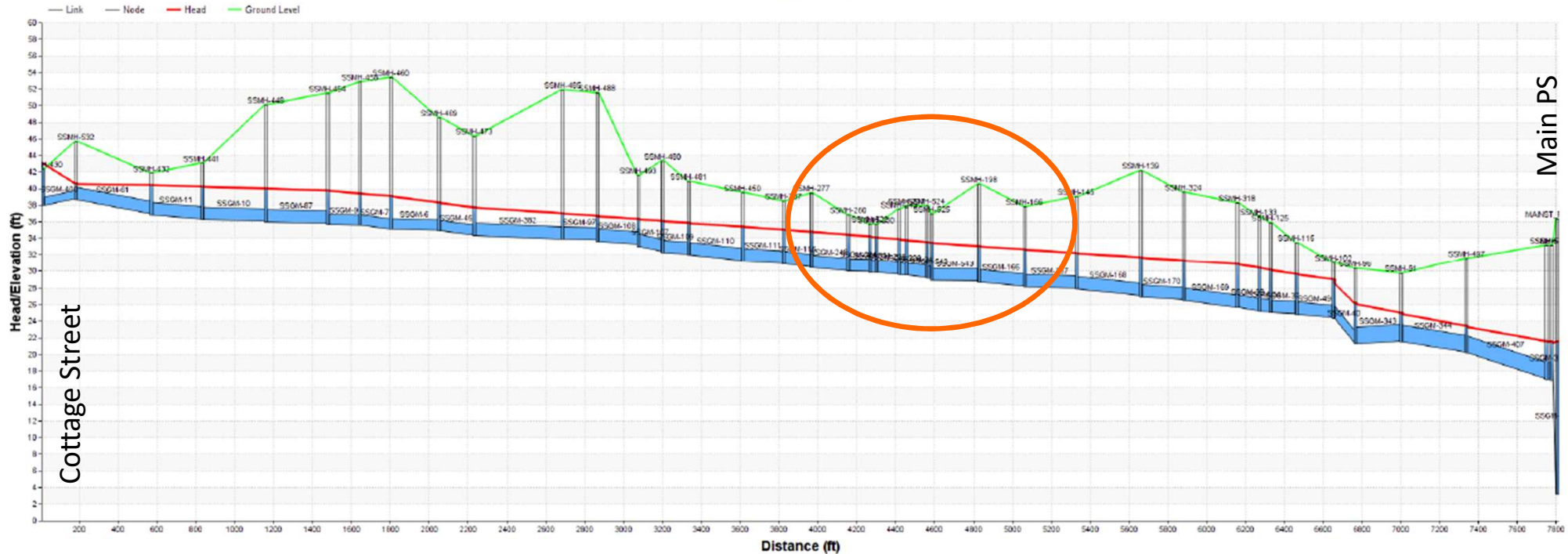
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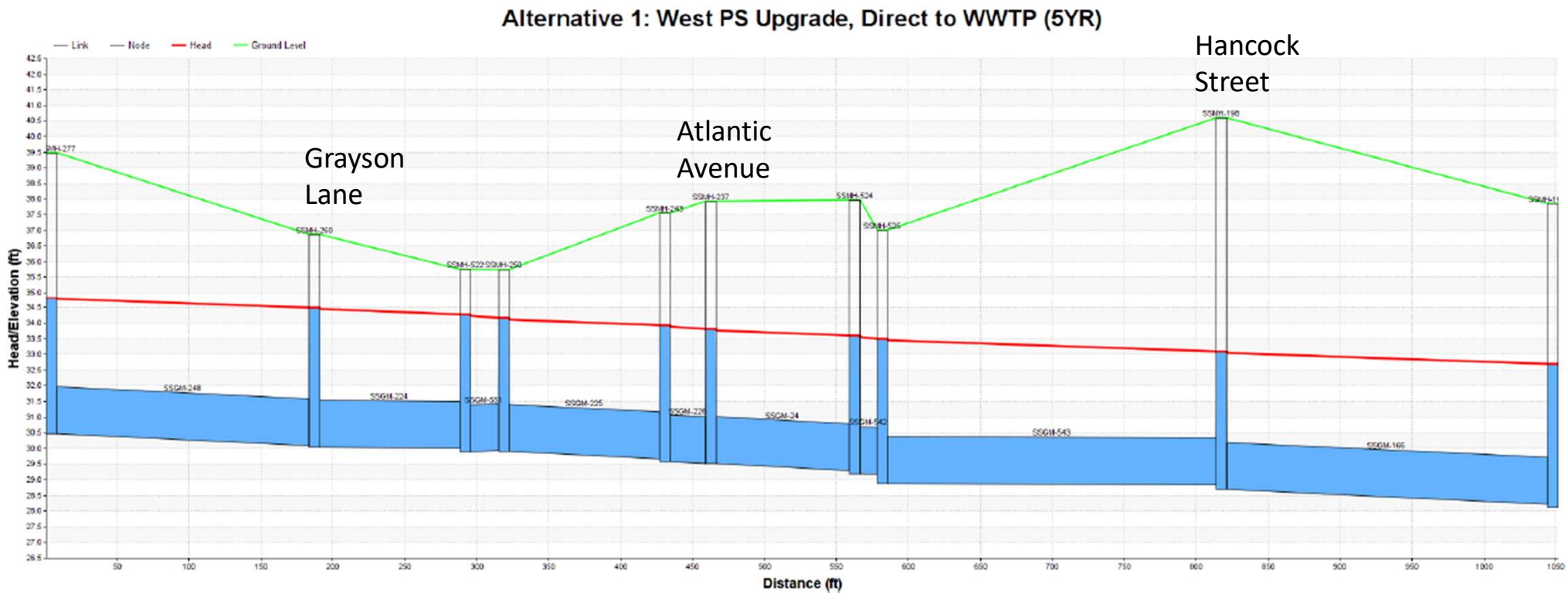


Truck line – 5 Year storm event (West Street Pump Station Upgrade & force main to wwtf)

Alternative 1: West PS Upgrade, Direct to WWTP (5YR)



Truck line – 5 Year storm event (West Street Pump Station Upgrade & force main to wwtf)



Meeting Kickoff, Lunch, and Presentations

- Recognizing Achievements
- Recent Challenges
- **Efforts to address challenges in the FY23 Budget**
- Why we need to learn to say No
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Efforts to Address Challenges in FY23 Budget

- Strategic Communications
 - Hiring a Communication Coordinator
- Climate Adaptation / Action
 - Hiring a Sustainability Coordinator
 - Town owned Solar Farm (pending Warrant article approval)

Efforts to Address Challenges in FY23 Budget

- Infrastructure

- Comprehensive Assessment of Community-wide Infrastructure Needs

- Employee Recruitment / Retention

- HR Director position (shared with Mount Desert)
- Adding an additional shift to the Fire Department
- Deputy Chief of EMS (shared with Mount Desert)

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Functions of Government

- A broad interpretation, but government has three primary functions:



59.1%



13.6%



18.2%

Link to Bar Harbor's [FY22 Adopted Operating Budget](#)

Functions of Government

Government is in place to create order and allow all the opportunity to lead happy, healthy, and successful lives. However one defines it.



- Education is the key to the future strength of a community, state, and a nation.



- Public, Health, and Life safety – Police, Fire, and Code enforcement provide a sense of security for a community to feel safe and trust that they are supported by something bigger.



- Public Infrastructure – Roads, Bridges, Water, Sewer, Parks – the infrastructure which allows us to get from point A to point B and to enjoy the in between.

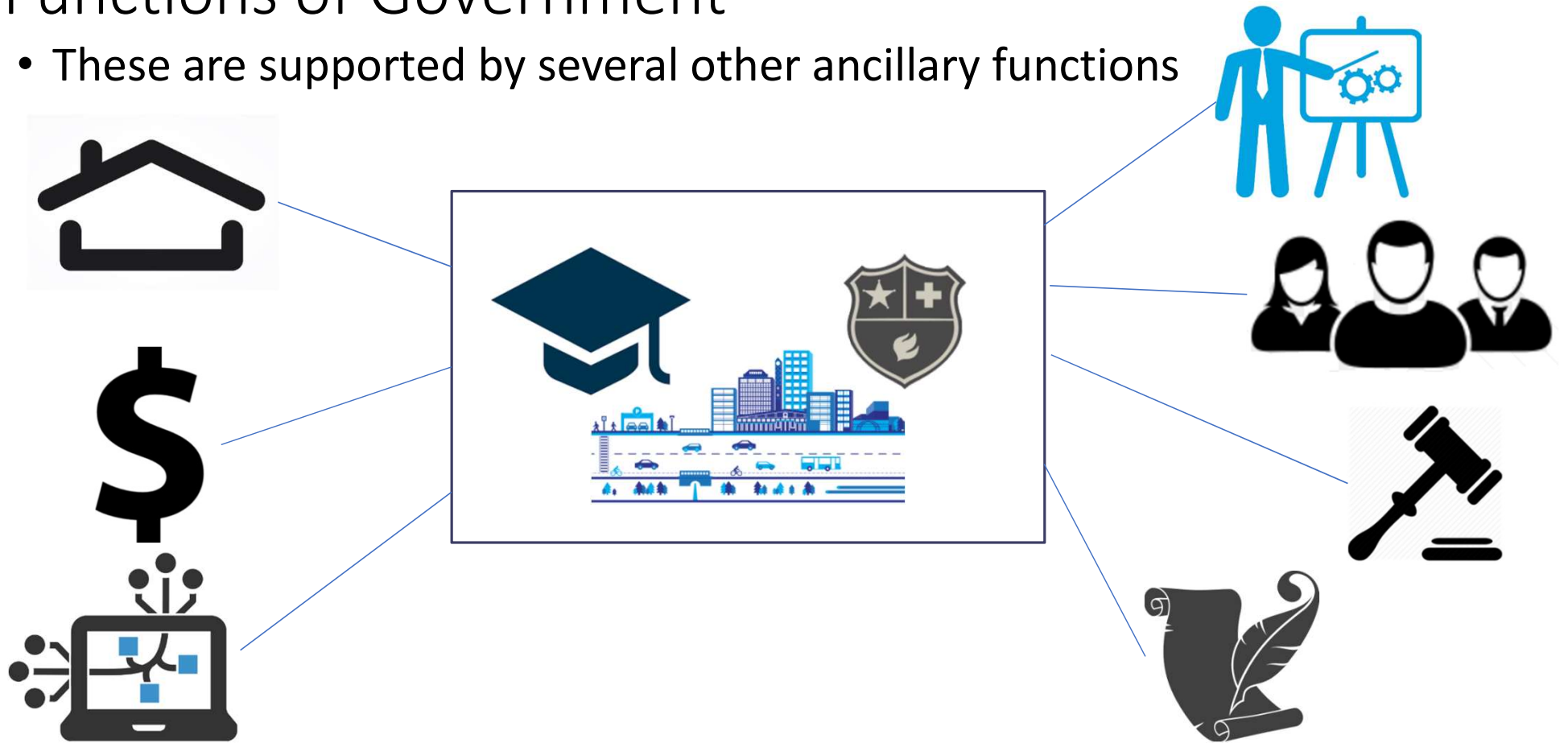
Functions of Government

- These three functions represent 90.9% of the total annual budget



Functions of Government

- These are supported by several other ancillary functions



Bar Harbor's Tachometer



- Municipal Government in Bar Harbor has been running in the red for quite some time.
- If we don't work to address this soon, it will break down.
- What can we do?
 - Shift into a higher gear (increase staffing)
 - Slow Down (Prioritize our Collective Goals)

A Very Clear Example of why.

- The Parklet Program
- It was a good idea to help businesses survive during a global pandemic.
- However, unless this is a top priority identified today, the Council supports fees that will be substantially increased to cover all resource costs, and certain roads are closed to vehicle traffic, I would **strongly** advise against this.
- Why do I feel this way? Staff shared a story with me that I will ask our Police Chief to share with you.

2021 Parklet Program Summary



Parklets and Parking Spaces

- 26 parklets were approved for businesses in Bar Harbor for use between May and October
 - Restaurants and retail establishments used the spaces for dining seating and merchandise displays
- 53 paid parking spaces were used and could not be utilized for paid parking

Staffing

- The permit program and installation coordination was managed by a Law Enforcement Officer who was assigned to light duty at that time. We did not have other staff available for this.
- Public Works Director developed application and checklist for parklets.

Staffing

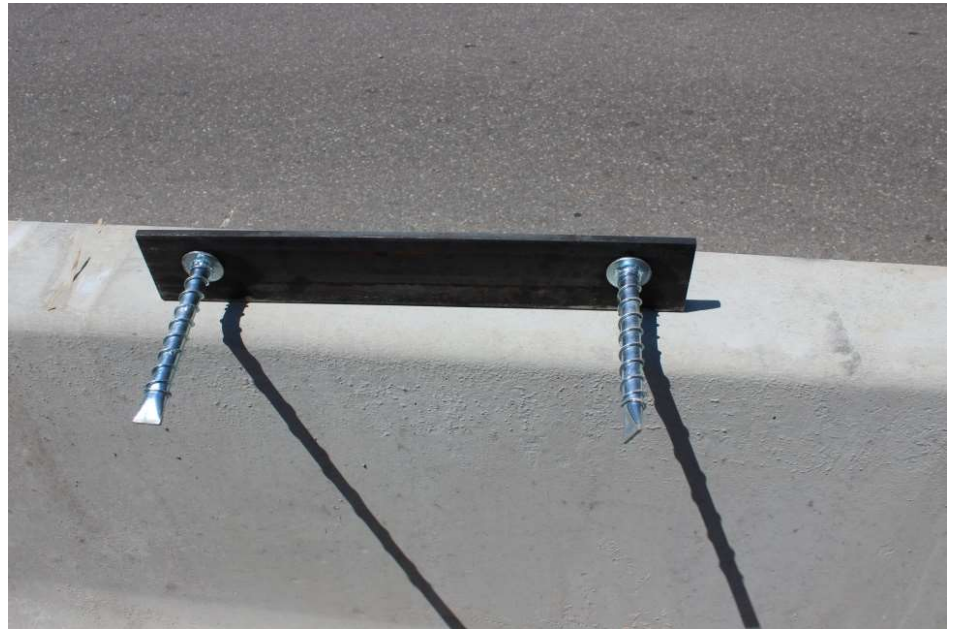
- Application review and approvals were required from
 - Code Enforcement Department
 - Fire Department
 - Police Department
 - Public Works Department
- Public Works Director worked with engineers prior to the 2021 to improve the safety of parklet hardware because of issues during the 2020 season.

Photos of the 2020 vehicle crash



Staffing

- Public Works staff performed materials research, purchasing, installations and removals



Staffing

- Finance staff performed invoicing, accounts receivable and payable and continues collection efforts for delinquent accounts
- Town Clerk's Office managed permit approval process and records
- Parking enforcement staff removed meters and reinstalled when needed

Problems Encountered

- Finance, Public Works and Police Department staff fielded many complaints about parklets being unsafe and from permit holders wanting work done sooner, faster, or differently. Staff faced daily challenges trying to satisfy the competing interests.
- PD resolved many complaints and conflicts from permittees and their neighbors. Some of the more challenging instances required the Captain's and or Chief's involvement

Problems Encountered

- Cars crashed into parklet barricades (displacing them) during both years we ran the program. Thankfully always when they were unoccupied.
- Other, regularly assigned work was not completed by staff who were required to prioritize parklets. This resulted in overtime expenses to complete regular work.

Problems Encountered

- Street sweeping and wash-down were more challenging with parklets in place. Sometimes trash from parklets blew onto streets and sidewalks, mitigating the results of the sweeping and wash-downs.
- Extra wear and tear on Public Works equipment from transporting and installing the barricades used for parklets

Problems Encountered

- Permit holders are required to list the town as an insured to their liability policies. Some did not pay their premiums so the insurance company notifies the town and finance staff must resolve.
- Some parking permit holders have not paid their invoices for their parklet.
 - Of the \$21,050 invoiced for this program, we still have \$1,950 in outstanding unpaid invoices
 - Requires finance staff to mail multiple reminders and may result in a collections process

Lost Parking Revenue Estimate

Lost Revenue Estimate				
Month	Parklets	Spaces		Month End
May	26	53	\$	16,347.52
June	26	53	\$	33,574.44
July	26	53	\$	35,420.14
August	26	53	\$	35,886.08
September	22	45	\$	27,157.20
October	22	45	\$	24,543.24
Current Total			\$	123,006.66

Other Expenses

- Most were paid from the parking fund
 - Regular wages, overtime and benefits expenses for
 - Police Department
 - Public Works staff
 - Finance Office staff
 - Town Clerks staff
 - Engineering costs
 - Barriers and related hardware

Our Goal Today

- Identifying the Top 3 challenges to focus our attention on and develop a process or roadmap for addressing these items.

Breakout Session #1

1. See list of 40 items and list of previous Council goals
2. Highlight your top 2
3. Facilitators will help small groups
 - a. identify top 3 as a table
 - b. Provide additional narrative as to why these would be the top 3
4. Report out to larger Group

Stretch, Sticker, and Switch

- A 15 minute break and...
- The Top 3 items from each group will be gathered and displayed
- Everyone places their three stickers next to their personal top 3 reported from the groups
- Items with the greatest number of stickers will be the subject of Breakout session #2 (where everyone switches to their next table)

Breakout Session #2

Discussion on Top 3 items from the Stretch and Sticker, ending with a report out

- a. Identify stakeholders – Who should be involved? Departments, Boards/Committees, community members, organizations, individuals, media, etc.
- b. Create a theoretical and realistic timeline to achieve the challenge
- c. What might it cost?
- d. Identify hurdles
- e. How do we engage the community in this?
- f. How should information flow to and from Council?
- g. Who might be left out or marginalized?
- h. Other relevant information

What we're NOT here to do today.

- Identify or work on the solutions (This will be part of the follow up with all stakeholders – of course if you want to be involved, please say so on the evaluation sheet)
- Blame individuals, departments, staff, community members, etc. for past inaction or mistakes.
- Deviate from our Ground Rules



Town of Bar Harbor **Meeting Ground Rules**



Listen hard, in order to understand



Ask questions to clarify what others have said



Share information, experience, feelings



Share the air-time with others in attendance, try to be concise



Act and speak respectfully, even if you disagree



Reminder that we are all here for the same purpose, to make Bar Harbor better.

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3:55 PM	Closing Remarks and Evaluation

Next Steps and Evaluations

- Compile information collected today.
 - Bring to Council to adopt 3 top priorities and set achievable goals
 - Begin public outreach efforts and stakeholder meetings to work through this effort.
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- Before you leave, please fill out an evaluation form!

THANK YOU